

Message Text

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12

ORIGIN PM-07

INFO OCT-01 NEA-10 ISO-00 TRSE-00 L-03 SS-15 IGA-02 ABF-01

CIAE-00 INR-10 NSAE-00 RSC-01 NSC-10 DODE-00 OMB-01

AID-20 H-03 /084 R

66630

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----- 017779

P 052148Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY ANKARA PRIORITY

S E C R E T STATE 176472

E.O. 11652: GDS

TAGS: MASS, TU

SUBJ: TEN PERCENT DEPOSIT REQUIREMENT

REF: ANKARA 6986

1. DEPARTMENT AGREES THAT GOT COULD PREPAY ENOUGH LAONS TO PUT
USG BACK INTO SURPLUS POSITION ON TURKISH LIRA AND HENCE EXEMPT
TURKEY FROM 10 PER CENT LOCAL CURRENCY DEPOSIT REQUIREMENT.
ACCORDING TO TREASURY AMOUNT GOT WOULD HAVE TO PREPAY TO SECURE
THIS EXEMPTION IS 13.6 MILLION DOLLARS EXCLUDING ACCOMMODATION
EXCHANGE.

2. EMBASSY AND GOT WILL NO DOUBT WISH TO CONSIDER WHETHER A PRE-
PAYMENT OF THIS MAGNITUDE MAKES SENSE IN VIEW OF FACT THAT 10
PER CENT DEPOSIT REQUIREMENT HAS BEEN WAIVED FOR THE FIRST 50
MILLION DOLLARS IN GRANT MILITARY ASSISTANCE AND EXCESS DEFENSE
ARTICLES TO BE PROVIDED GOT IN FY 1974. ADMINISTRATION REQUESTED
98 MILLION DOLLARS IN MAP AND HAS PROGRAMMED 50 MILLION DOLLARS
IN EXCESS DEFENSE ARTICLES (VALUED AT 1/3 OF ACQUISITION COST) FOR

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TURKEY IN FY-74. EVEN IN UNLIKELY EVENT THAT BOTH MAP AND EDA

FOR TURKEY ARE FULLY FUNDED LOCAL CURRENCY DEPOSIT REQUIREMENT WOULD ONLY BE 10 MILLION DOLLARS.

3. YOU SHOULD ALSO BE AWARE THAT SHOULD GOT DECIDE TO MAKE PRE-PAYMENT IF WOULD HAVE TO BE MADE AS SOON AS DETAILS AGREED UPON WHEREAS UNDER EXISTING 614 WAIVER GOT COULD BE CONFIDENT THAT DEPOSIT REQUIREMENT WOULD NOT ARISE UNTIL NEXT GOT FISCAL YEAR.

4. FINAL AMOUNT OF 10 PER CENT DEPOSIT REQUIREMENT WILL IN ALL PROBABILITY BE BELOW 10 MILLION DOLLAR FIGURE ALTHOUGH IT IS IMPOSSIBLE TO BE PRECISE GIVEN UNDERTAINITIES OF CAMBODIAN SITUATION, AND ABSENCE OF FINAL CONGRESSIONAL ACTION ON SECURITY ASSISTANCE LEGISLATION. RUSH

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